



## Senate

General Assembly

January Session, 2011

**File No. 578**

Senate Bill No. 1155

*Senate, April 19, 2011*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

### ***AN ACT CONCERNING THE DISCLOSURE OF INFORMATION IN A TOBACCO ARBITRATION PROCEEDING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 4-28o of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (b) (1) The commissioner may disclose to the Attorney General any  
5 information received under sections 4-28k to 4-28r, inclusive, and  
6 requested by the Attorney General for purposes of determining  
7 compliance with and enforcing the provisions of sections 4-28k to 4-  
8 28r, inclusive. The commissioner and the Attorney General shall share  
9 with each other the information received under sections 4-28k to 4-28r,  
10 inclusive, and may share such information with other federal, state or  
11 local agencies only for purposes of enforcement of the provisions of  
12 sections 4-28h to 4-28r, inclusive, or corresponding laws of other states.

13 (2) Notwithstanding the provisions of section 12-15, the

14 commissioner may disclose to the Attorney General any returns or  
15 return information, as defined in section 12-15, received pursuant to  
16 this chapter or chapter 214 or 214a, when such returns or return  
17 information is relevant to any arbitration or other dispute resolution  
18 proceeding to which the state is a party, created or authorized under  
19 the terms of the Master Settlement Agreement, as defined in section 4-  
20 28h, or any amendments to said agreement. The Attorney General may  
21 further disclose such returns or return information in such arbitration  
22 or other dispute resolution proceeding.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	4-28o(b)
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**FIN**            *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Attorney General	Tobacco Settlement Fund, GF - See Below	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill could assist the Office of the Attorney General in its efforts to resolve a dispute involving the Tobacco Settlement Fund. Each year, approximately \$100 million is transferred from the Tobacco Settlement Fund to the General Fund.

**The Out Years**

None

**OLR Bill Analysis****SB 1155*****AN ACT CONCERNING THE DISCLOSURE OF INFORMATION IN A TOBACCO ARBITRATION PROCEEDING.*****SUMMARY:**

This bill allows the revenue services (DRS) commissioner to disclose certain tax information to the attorney general if (1) it is relevant to an arbitration or other dispute resolution proceeding under the tobacco master settlement agreement or any amendment to it, and (2) the state is a party to the proceeding. It also allows the attorney general to disclose the information to others in the course of the proceeding. The authorized disclosures apply to tax returns and return information the DRS commissioner receives while implementing the state's master settlement agreement, cigarette tax, or tobacco products tax laws.

Existing law already allows the DRS commissioner to disclose to the attorney general, upon request, any information the commissioner receives, so the attorney general may determine compliance with, and enforce, the master settlement agreement law.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Returns and Return information***

By law, a "return" is any of the following filed with the DRS commissioner by, on behalf of, or with respect to, any person: (1) a tax or information return; (2) an estimated tax declaration; (3) a refund claim; or (4) any license, permit, registration, or other application. A return includes any amendments or supplements, including supporting schedules, attachments, or lists that supplement or are part of a filed return.

“Return information” is (1) a taxpayer's identity; (2) the nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax collected or withheld, under- or over-reporting, or tax payments; (3) whether the return is being, was, or will be examined or investigated; or (4) any other data received, recorded, prepared, or collected by or furnished to the DRS commissioner regarding a return or regarding any determination of liability for a tax, penalty, interest, fine, forfeiture, or other imposition or offense (CGS § 12-15 (h) (1) & (2)).

### **Tobacco Settlement**

Tobacco product manufacturers that sell cigarettes in Connecticut must either (1) enter into, and perform financial obligations under, the master settlement agreement between Connecticut and four leading tobacco companies or (2) pay into a qualified escrow account a specified amount for each cigarette they sell in the state. All manufacturers whose cigarettes are directly or indirectly sold in Connecticut must certify, under penalty of false statement, to the DRS commissioner and the attorney general by April 30 annually that, as of the certification date, they are either participating in the master settlement agreement or complying with escrow requirements for nonparticipating manufacturers.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea    52    Nay   0    (04/07/2011)